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भारत सरकार
Government of India

संघ प्रदेश दमण एवं दीव प्रशासन

U.T. ADMINISTRATION OF DAMAN & DIU

प्राधिकरण द्वारा प्रकाशित
PUBLISHED BY AUTHORITY

**U.T. Administration of Daman & Diu
Electricity Department,
Vidyut Bhavan
Daman**

No. ED/EE/RE-Policy/2017-18/14146

Dated : 19/01/2018

NOTIFICATION

The Administrator of Daman and Diu is pleased to notify Policy for development and deployment of renewable energy power generation technology as per terms and conditions mentioned herein after :

Forward

- (i) Electricity is lifeblood of any growing economy and availability of reliable and uninterrupted power supply is a crucial determinant for economic growth. However, economic growth also needs to ensure our commitment to the environment. That is why, generation and usage of renewable energy has caught utmost attention world over. I would like to thank the Ministry of New and Renewable Energy and Ministry of Power, Govt. of India for setting up targets and providing guidelines for promotion of renewable energy.
- (ii) Daman and Diu are key hub of industrial activity in the western region of India and today is home to over 2500 industrial units. Entire power requirement of the territory is met from power allocation from the Central Generating Stations. Electricity Department of Daman and Diu is fully committed to undertake all measures for infrastructural upgradation and efficiency improvements at in transmissions and distribution networks. It is our vision to transform Daman & Diu into a model territory with an efficient power supply framework and the best in industry standard efficiency parameters. We are equally committed to supplement our generation capacity through renewable energy sources including but not limited to harnessing solar power, wind power etc. and upcoming environmentally friendly power generation technologies. I am confident that in the next few years, we shall be able to achieve the key objectives set out for us.

1. Preamble

- (i) Energy is one the basic ingredients to the quality of our lives. Presently, we are dependent on an abundant and uninterrupted supply of energy for living and working. Depletion of conventional energy resources (Coal, Oil, Natural gas etc.) day by day and emission of greenhouse gases (GHGs) in environment from usage of this fuel is complex problem in context of global warming.
- (ii) Union territory (U.T. of UT) of Daman and Diu has been in the forefront in industrial development comprising of approximately 95% industrial demand. The U.T. has no generation facility within the territory, and it is drawing power from outside U.T. Promotion of solar energy resources and technology plays an important role to meet the upcoming energy requirement of U.T. through secure, systematic and environmentally sustainable manner so that dependency on fossil fuels will be reduced in future.

- (iii) The U.T. of Daman and Diu is blessed with high solar radiation and average 300 days of clear sun. U.T. administration, through Electricity Department of Daman and Diu (ED-DD) proposes to encourage Renewable Energy (RE) Generation projects for the social as well as economic development of U.T. and promotion of RE Generation within U.T.
- (iv) In view of ambitious targets set by the Central Government for solar power generation, a comprehensive policy to promote solar power and other RE technologies is required. For inclusion of all aspects of promotion of RE technologies, government is pleased to introduce the **Renewable Energy Policy-2017 for U.T. of Daman and Diu.**

2. Legal and Regulatory Framework

- (i) **Electricity Act 2003** : According to the Electricity Act 2003, Section-9 (2) any private individual or Agency is free to set up a Power Generation Plant and they shall have right to open access of the transmission facility.
- (ii) **Tariff Policy 2016** : According to the National Tariff Policy 2016, Clause 6.4, 1(i) an increase in the solar Renewable Purchase Obligation (RPO) up to 8% of total consumption of energy, excluding Hydro Power, by March 2022 or as notified by the Central Government from time to time.
- (iii) **Joint Electricity Regulatory Commission for the State of Goa and UTs:** The regulatory body for ED-DD is Joint Electricity Regulatory Commission (JERC) for the state of Goa and Union Territory. The orders/Regulations passed by the commission from time to time shall be applicable to the provisions of this policy. Similarly, Acts passed by Government of India in respect of Power Sector shall also be applicable to provisions of this Policy. In case of any discrepancy between the provisions of this Policy and Orders/Regulations issued by the JERC, the orders/Regulations issued by the JERC will take precedence.
- (iv) The overall development and operation of solar power generating stations shall abide by standards and regulations of Central Electricity Authority, Ministry of New and Renewable Energy (MNRE) or other competent authority.

3. Objectives

- (i) U.T. Administration sets up object including but not limited to :
- Promotion of RE Generation within U.T.
 - Becoming self-sustainable in meeting RPO by 2022 by RE power generation.
 - Encouraging private sector participation by defining roadmap and providing facilitation.
 - To create skilled manpower and employment opportunity for U.T.
 - To encourage Decentralized and Distribution Generation system within the U.T. for reducing T&D losses.
 - To encourage development of renewable energy related industries within the U.T.

4. Title, Enforcement and Scope

- (i) This Policy shall be known as "**Renewable Energy Policy-2017 for U.T. of Daman and Diu**". Policy shall be applicable from the date of notification of the policy in the Official Gazette. Electricity Department of Daman and Diu shall be the nodal agency for designing, implementing and maintaining the policy and shall execute various responsibilities as per this policy.
- (ii) The Policy shall be extended for various types of RE generation including but not limited to Solar PV rooftop/Ground mounted/Floating, Wind Turbine Generator, municipal waste based power generation, wave energy, tidal energy etc.
- (iii) Till further notification, the policy shall be applicable for setting up Solar PV based Power Generation facility within U.T. of Daman and Diu.
- (iv) For setting up other types of RE Generation, application shall be processed on case to case basis.
- (v) In case of setting up a plant outside U.T. or for setting up plant other than solar PV technology or for procurement of RE power to achieve policy target/RPO, application shall be processed to case to case basis.

5. Operative Period

- (i) This policy shall come into operation with effect from the date of publication in the gazette and shall remain valid, until superseded or modified by another policy. Solar power plants, approved, installed and commissioned during the period shall be eligible for the incentive declared in this policy.

6. Eligible Entities

- (i) For the development of solar power projects under this policy – any individual person, proprietorship company, partnership company, all registered companies, public/private sector solar power project developers, EPC contractors, U.T.'s distribution companies and manufacturing units of equipments and ancillaries related to solar projects will be eligible for setting up RE Power projects, either for the purpose of captive use and/or selling of electricity in accordance with the Electricity Act-2003, Section-9, as amended from time to time. However, the applicant needs to be consumer of Electricity Department and shall be referred as prosumer (Producer + Consumer).
- (ii) For grid interactive solar projects, only MNRE approved technology shall be considered.

7. Empanelment of EPC Contractor

- (i) All projects under the policy shall be executed by EPC contractor empaneled with Electricity Department. This to ensure better quality of work and trouble free

execution as well as hassle free post-execution activities between Prosumer and EPC contractor.

- (ii) All EPC contractors who intends to work under this policy need to get registered with ED-DD. The contractor who executes the project needs to deposit security deposit of 10% of the contract value for the period of 5 years to ED-DD. The security deposit shall be refunded to the contractor, provided his performance is found satisfactory.

8. Application Procedure

- (i) Electricity Department shall prepare detailed operating procedure and related formats for implementation of this policy in a manner described hereunder. The RE Project Developer shall visit website <http://www.dded.gov.in> for online registration and submission of application. The applicant needs to upload all necessary documents online. The application shall be accompanied by non-refundable fees of ₹ 1000/KW per grid connectivity. Hard copy of application receipt along with self-attested copy of the documents and demand draft in favor of **Executive Engineer, Electricity Department Daman** shall be submitted within 5 working days of online submission of application. In case application processing fee is paid online, payment receipt needs to be submitted along with the application.
- (ii) The Electricity Department shall scrutinize the application, assesses feasibility and issue consent letter for grid connectivity within 15 days of receipt of application and the same shall be available online. In case of any lacuna or inadequate information, the concerned applicant shall be informed.
- (iii) The RE Generator, after receipt of grid connectivity consent, needs to carryout financial closer for the plant and shall approach electricity Department of Daman and Diu for signing of PPA along with following documents.
- Letter of association/work order/agreement/letter of intent/similar document for carrying out EPC work and operation and maintenance of the plant. The Prosumer shall enter into an agreement with EPC contractor for minimum period of 5 (five) years of operation and maintenance.
 - Document for financial closer clearly indicating source of funding.
 - Any other document as demanded by concerned authority.
- (iv) All the power plant setup under this policy shall enter into PPA with ED-DD for sale of power for the period as mentioned in the Policy. Inspection/supervision/checking of the solar power plants shall be carried out by ED-DD.

9. Grid Connectivity

- (i) Only grid connected Solar PV projects are qualified to setup power plant under this policy. Minimum size of the plant shall be 1 KW per grid connectivity. There is no upper cap on size of the plant. All rules and regulations laid down by ED-DD shall be applicable for qualifying grid connectivity.
- Up to 10 KW single phase 230 V
 - More than 10 KW and up to 100 KW-3 phase 400 V

- Above 100 KW and up to 4 MWp – 11 KV
 - Above 4 MWp – 66 KV
- (ii) All open access consumers need to fulfil RPO solely by solar power generation within/outside U.T.

10. Technical compliance

The tolerance allowed in rated capacity of solar power project(s) shall be 5%. The developer shall comply with JERC Regulations, CEA Regulations for implementation of solar projects or any such regulations notified by MNRE or other competent authority.

11. Metering

- (i) The owner of the solar power project shall install bidirectional meter having facility of import-export measurement. The user needs to provide facility for online monitoring and data acquisition from inverter and meter for real-time data transfer to SLDC and Electricity Department.
- (ii) The Prosumer or Producer of Solar Power shall arrange for themselves a meter to register the Solar Power produced and fed to the Grid for sale to Electricity Department and shall be billed accordingly, for making payments to the Solar Power Producer/Prosumer. Net metering shall be applicable to Solar Power generators/ Prosumers.
- a. The Electricity Department shall allow installation of Solar Power Projects in its area of supply on nondiscriminatory and first come – first serve basis and within the time line as provided in these regulations. In the interest of average cost of electricity purchase that impact the Consumer tariffs, the proposals with subsidy (Central + U.T.) will be given higher preference.
- b. At the end of each billing cycle, the Electricity Department will take readings of imported and exported energy as shown by the bidirectional service connection meter. The Prosumer will be presented a bill for the difference between imported and exported energy (the net-imported energy). If during a billing cycle exported energy exceeds imported energy, the export surplus will be carried over to the next billing cycle. Settlement Period shall be half yearly from 1st April to 30th Sept and 1st Oct to 31st March. The same may be altered in case financial year period change by Government of India. A final settlement energy bill shall be prepared by the Electricity Department at the end of settlement period. For final settlement at the end of a Settlement Period a maximum of 100% (one hundred percent) of the imported solar energy will be credited against export energy for the purpose of net-metering.
- c. Group Net-Metering facility within same category of consumers is allowed to the Solar Prosumer at the consumer tariff applicable to the Consumer's service connection so that benefit can be shared amongst multiple connections.

- d. Excess energy exported to the grid (measured in kWh) can only be utilized to offset the electricity consumption (measured in kWh) and not for adjustment of any other fees or charges levied by the Electricity Department.
- e. The Electricity Department in addition to energy billing shall be eligible to raise invoices for any other charges as per Tariff Order.
- f. Rules, regulations and terms of service applicable to Consumers of the Electricity Department for the applicable class or category of service connection including but not limited to the consumption tariff, payment terms, contracted load or demand, load surcharge, peak load restrictions and security deposit, shall also be applicable to an electrical service connection with a Prosumer Solar Power project.
- g. If, during a billing cycle a Prosumer import power from the Electricity Department in excess of Monthly Minimum Charges (MMC), MMC shall not be applicable for that period.
- h. A Prosumer or a Producer of solar power shall be exempted from charges in respect of electricity banking, wheeling, line losses and cross subsidy to the extent of Energy produced.
- i. In case of any contingency/emergency/unavoidable circumstances, ED-DD shall have rights to select the prosumer(s) to disconnect installation from the grid and disallow any injection.

12. Target of Policy

- (i) U.T. Administration of Daman and Diu sets ambitious target to achieve 200 MW solar power generation by March 2022. Yearly targets are as follows,
 - ✓ FY 2017-18:25 MW
 - ✓ FY 2018-19:35 MW
 - ✓ FY 2019-20:45 MW
 - ✓ FY 2020-21:50 MW
 - ✓ FY 2021-22:45 MW
- (ii) Application shall be accepted round the year till fulfilment of the target capacity including backlog if any. The applications shall be accepted in first cum first served basis. In case the candidate fails to execute the project in timely manner, the same shall be black listed for submitting further application.
 - a. All government buildings shall be covered with rooftop solar power plants within one (1) year from the notification of the policy. Nodal agency shall carryout survey of potential within 6 month from notification of this policy
 - b. All upcoming HT industries shall install solar PV project of at least 5% of the contract demand. Such projects shall be either rooftop or ground mounted type and preferably within U.T. In case wherein, roof/land is not available within U.T.

for installation of solar plants, obligated entity may install solar plants outside U.T. All such cases will be dealt on case to case basis.

13. Commercial Settlement

The power generated by all plants implemented under this policy shall be purchased by ED-DD for the period of 25 years from the date of schedule delivery date or Commercial Date of Operation (COD) whichever is later. The power procurement rates shall be as per JERC regulation and shall be revised on yearly basis as per JERC guidelines/Tariff Order.

14. Time frame for the implementation of projects

- (i) The time limit for declaration of COD after signing of PPA shall be as follows,
- Up to 25 KW per location : 1 month
 - More than 25 KW and up to 100 KW : 2 months
 - Up to 500 KW per location : 3 months
 - Up to 5 MW per location : 6 months
 - More than 5 MW per location : 12 months
- (ii) Commissioning date and COD shall be notified by ED-DD for each project after due approval/inspection of the plant.

15. Sale of Energy

- (i) Energy generated from solar power projects that are commissioned during this policy period may be sold to ED-DD or any other consumer/utility within or outside the U.T. All plants set under this policy will have to get registered and complete necessary formalities with the nodal agency.
- (ii) For sale of energy to third party, solar power developer can set up plants under this policy but will not be allowed to sign a PPA with ED-DD even at future date.

16. Incentives

- A) Open Access charges :** If open access granted to developer/beneficiary, they shall be exempted from open access restriction and associated charges.
- B) Subsidy to Domestic Consumers :** U.T. Administration of Daman and Diu shall provide subsidy to registered domestic consumer for installation of solar PV projects in following manner.
- 1 KWp -> ₹ 10,000/-
 - 2 KWp -> ₹ 20,000/-
 - 3 KWp -> ₹ 30,000/-

- 4 KWp -> ₹ 40,000/-
 - 5 KWp -> ₹ 50,000/-
- a. Above capital assistance shall be available, provided that, the plant is located at the point of consumption. Further, no incentive shall be provided to the plant having capacity of more than 5 KW at single location
 - b. The incentive provided by U.T. Administration shall in no way restrict the prosumer to avail other benefits/subsidy/assistance from Central Government/ MNRE etc. as per prevailing Rules and Regulations
 - c. Subsidy shall be released in three parts as follows,
 - 40% after six months from COD
 - 40% after 12 months from COD
 - 20% after 60 months from COD
 - d. All application for claiming subsidy from the U.T. shall be approved by empowered committee consisting of,
 - Deputy Secretary (Finance)/Joint Secretary (Finance)
 - Deputy Secretary (Power)
 - Executive Engineer, Electricity Department
 - Any other person as nominated by Hon'ble Administrator

C) Solar Power Evacuation :

Electricity Department shall facilitate evacuation of solar power in following manner.

- LT : from metering point onwards (through net-metering)
- HT/EHT : from pooling substation (nearby 66/11 or 220/66 KV substation)
- Plant located outside U.T. : 220 KV substation of ED-DD.

17. Taxes and Duties

The tariff determined under JERC Regulation regarding solar energy (amended from time to time) shall be exclusive of taxes and duties as may be levied by the appropriate Government for sale of Solar Power, provided that the taxes and duties levied by the appropriate Government shall be allowed as pass through on actual basis.

18. Generic Tariff

The generic tariff for solar power projects as determined by commission shall be applicable to the projects developed under this policy. Such tariff shall be decided and declared by JERC on yearly basis.

19. Nodal agency and its role

- (i) Electricity Department of Daman and Diu shall act as nodal agency for implementation of Solar Policy. Electricity Department of Daman and Diu shall also be executing agency for assisting nodal agency for permitting, facilitating assisting and monitoring body for setting up solar power projects under this policy.
- (ii) Responsibilities of the nodal agency shall include but not limited to :
- Publish the capacity available to distribution transformer for connecting solar power projects through net-metering on yearly basis.
 - Appointment of EPC contractor through rate contract for development of solar projects.
 - Promotion of Research and Development activities (R&D) and Environment friendly technologies.
 - Arranging awareness campaign on energy conservation and use of renewable sources of energy at all levels.
 - Utilization of funds provided under UT's budget for activities like providing subsidy, hiring consultants, management of single window system etc.
 - Recommendation of projects to avail benefits under the policy declared or to be declared by the Government of India.
 - Facilitation of allotment of suitable land/space in the control of government or its agencies.
 - Financial arrangement through budget support, creation of green fund or through private investment.

20. Single Window Clearance System

- Nodal Agency will act as single window clearance for Solar Power Project for the following activities:
- Ensuring all the incentive available to the industrial units under relevant UT's policy that are applicable to the solar power producers.
- Ensuring that all relevant government orders pertaining to this policy are issued in a time bound manner by concerned departments.
- Facilitation in all clearances approvals, permissions and consents required from the State Government/its agencies will be the main task of the nodal agency as single window or may be outsourced by the Nodal Agency.
- Ensuring timely provision of evacuation Infrastructure for the upcoming solar power plants.

21. Empowered Committee

- (i) If any difficulty arises by effect of this policy, empowered Committee will be authorized to interpretation of such provisions as may appear to be necessary for the removing the difficulty either on its own motion or after hearing the parties who represented for the change in the provision.